

Comments of The Paisley Group Ltd

*In the Matter of CC Docket No. 99-273 – Retail Directory Assistance (DA) Competition
in the US.*

I. Who is The Paisley Group Ltd (PGL)?

PGL is the US's leading auditor of the Directory Assistance experience using industry-recognized and DA-specific measurement processes – Customer FulfillmentSM and Customer CareSM.

PGL's Customer FulfillmentSM and Customer CareSM measures are specially designed to measure the quality of DA service. They are underpinned by a robust statistical model and DA-specific measurements based upon DA user expectations of service. The most important of these customer expectations is to receive the correct listing report. Customer FulfillmentSM measures the extent to which they receive the correct report based upon database and operator accuracy. The Incumbent Local Exchange Carrier (ILEC) is the data standard. Users also expect to be treated with courtesy and consideration and Customer CareSM measures the extent to which DA operators serve as the customers' advocate in locating their desired listing while following the required extent of search.

PGL currently provides auditing services for, or reports on the DA quality of, the following DA-related companies in the US:

- AT&T Long Distance
- BellSouth
- Illinois Consolidated Communications
- Excell Agent Services
- First Data Resources
- Frontier Communications
- INFONXX
- LSSi
- MCI WorldCom Long Distance
- Metro One
- Nortel Networks
- Operator Services Company (OSC)
- Qwest
- Southwestern Bell Communications (SBC)
- Sprint Long Distance
- SNET
- Telegate AG
- Verizon

II. The PGL Performance IndexSM

PGL publishes a semi-annual report on the quality of DA service in the US. It is called the National Directory Assistance (NDA) Performance IndexSM and reports on the DA quality (based on Customer FulfillmentSM and Customer CareSM) of up to 15 national DA providers per issue (using the same 300 listing test sample¹). The Index provides a benchmarking tool to the DA industry and is widely used and referred to by providers and carriers alike. Subscribers include DA service providers, DA data providers, telecommunications carriers and DA system providers.

To compare the DA data quality of the ILECs versus that of independently-aggregated DA data providers, the Index has, from its inception 3 years ago, provided two different views of the data accuracy of those LECs being measured for any one Index installment. The first view is a national ILEC view (of those ILECs measured for any one issue), which reports on their national data accuracy. This view includes the ILECs' own in-region DA data plus the compiled out-of-region data they use to provide national DA (NDA) service. This view is referred to as the ILEC NDA view and is, in most instances, a reflection more of the compiled data they use than their own in-region data because of the geographical dispersion of the test sample (most of the ILECs use more out-of-region than in-region data to provide their national service). The second view provides a look at the data accuracy of the ILECs' own in-region data. This view is referred to as the Originating LEC (OLEC) view since it provides a quality measure of *only those listings that are issued (and owned) by the ILECs - the data within their own regions*. This OLEC view was provided for comparison purposes since it has long been considered by most as the industry "gold standard" for data quality.

III. Ninety Percent (90%) of all Calls Placed to DA in the US Result in a FulfilledSM User

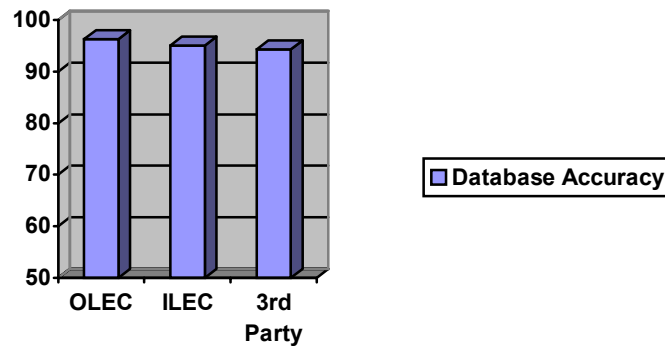
Based upon the results of the October 2002 NDA Performance IndexSM, industry average for Customer FulfillmentSM, exceeds 90%. Thirteen DA providers were audited for this issue.

IV. Independent DA Database Aggregators and Independent DA Providers have Access to ILEC-Quality DA Data.

Over the last ten years, the gap between LEC DA data quality and that of independently-aggregated DA data has narrowed to a significant degree, primarily because the ILECs now make their data available to aggregators.

¹ The sample is developed from PGL's proprietary call- and customer-composite ensuring that the test is conducted to reflect real-life DA conditions. The auditor mimics customer conditions such as inability to spell, requesting nearby vs exact localities or requesting the listing with ambiguous or incomplete details. The sample contains statistically valid percentages of res/bus/gov listings, valid no finds, non pubs, home businesses, CLEC listings, Fax listings, captions etc.

Based on the database accuracy results reported in the October 2002 NDA Performance IndexSM, the OLEC (in-region), ILEC (national) and 3rd Party national database accuracy levels have almost converged. They are 96.3%, 95% and 94.3% respectively.



Viewing these results with a 95% confidence level and a 2.2% margin of error for the OLEC, a 2.5% margin of error for the ILEC and a 2.6% margin of error for the 3rd Parties, confirms that the quality of LEC DA databases and independently aggregated DA databases have a common range between 94.3% and 96.7%.

V. Competition at the DA Provider Level has Resulted in a High Quality of DA Service as Defined by the Percentage of Calls Resulting in a Correct Report.

When PGL started measuring the DA industry 8 years ago, Customer FulfillmentSM, more specifically - database and operator accuracy - was less for the new entrant independent DA providers who were using non-LEC aggregated data. The competitive providers that entered the DA arena over the course of the last decade (and more) were forced to improve data and operator accuracy to compete successfully with the traditional ILEC providers of DA.

VI. Competition at the DA Provider Level has Resulted in a High Quality of DA Service as Defined by the Percentage Customers Who are Cared For.

Customer CareSM measures the extent to which operators demonstrate care for customers in a way that leaves them with the impression that the operator acted as their advocate in locating their requested listing. Prior to the emergence of competitive 3rd Party DA providers, the LECs gave Customer CareSM a back seat to accuracy and efficiencies. Because new entrant DA providers recognized that caring for customers' needs could be a significant differentiator, they focused on improving DA CareSM levels (as well as providing additional information services). In order to compete in the new competitive

environment, the LECs are working on improving their Customer CareSM while maintaining efficiencies.

VII. Even with improved Fulfillment and Care, PGL's last Index testing measured the average operator work time for the DA industry, including traditional and new entrant providers, at 25 seconds.

VIII. Competition at the DA Provider Level in the US Has Increased the Number of Options Available to DA Users.

Calling from PGL's facility in Denver, the following DA providers can be reach:

Via 411 – Qwest's operators are reached for local, regional and national requests.

Via NPA/555 on a line presubscribed to Sprint – First Data Resources' operators are reached for national DA.

Via NPA/555 on a line presubscribed to WorldCom – WorldCom/GC Services' operators are reached for national DA.

Via NPA/555 on a line presubscribed to AT&T – Excell Agent Services' operators are reached for national service.

Via 411 with a Sprint PCS phone – Metro One's operators are reached for national service.

Via 411 with a Verizon Wireless phone – Verizon LiveSource's operators are reached for national service.

Via 411 with any wireless phone – the operators of the carriers' chosen outsourcer are reached.

Via 10-10-9000 – MCI WorldCom, more specifically their partner/outsourcer's (GC Services) operators are reached.

Via 00 Info – AT&T, more specifically, their outsourcer's (Excell Agent Services) operators are reached.

IX. US DA Quality Stacks up in Europe

In recent auditing activities conducted in the UK, PGL measured the Customer FulfillmentSM and database accuracy rate of a number of traditional and 3rd Party DA Providers. The results were in the range of those cited earlier in this document for the US. Customer CareSM, however, as defined by operators demonstrating customer advocacy and efficient call-handling, is lower in the UK.

X. Summary

PGL has done extensive testing of DA quality in the last decade and is the industry leader in testing the DA experience in the US, the UK and other international markets.

The audits and research conducted by PGL demonstrate that DA users in the US enjoy a quality of service that is second to none. The quality of service and the availability of services have increased demonstrably since competition was introduced at the DA-provider level.